ORDINANCE NO. 2281

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AMENDING SUBSECTIONS 5.44.050(a), (b), AND (c) OF THE REDMOND MUNICIPAL CODE IN ORDER TO INCREASE THE TAX RATE ON TELEPHONE BUSINESS, ELECTRIC LIGHT AND POWER AND NATURAL OR MANUFACTURED GAS SERVICES FROM FIVE AND EIGHT-TENTHS PERCENT (5.8%) TO SIX PERCENT (6.0%).

WHEREAS, as part of the City Council's discussion of the long-range financial strategy, the City Council has decided to increase the City's Utility Tax rate from 5.8% to six percent (6.0%), the maximum allowed under State law; and

WHEREAS, the City Council recognizes that the financial condition of the City's General Fund remain tenuous as a result of continued weakness in the local economy and particularly the City's sales taxes which constitute one-third of the City's General Fund revenues; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Subsections 5.44.050(a), (b), and (c) of the Redmond Municipal Code are hereby amended to increase the tax rate on the furnishing of telephone business, electric light and power and natural or manufactured gas within the City from five and eight tenths percent (5.8%) to six percent (6.0%) and to read as follows:

(a) Telephone Business. Upon every person engaged in or carrying on any telephone business within the City, a fee or tax equal to six percent of the total gross income, including revenues from intrastate long distance toll service, from such business in the City during the current calendar year for which a license is required. (b) Electric Light and Power. Upon every person engaged in or carrying on the business of furnishing electric light and power within the City, a fee or tax equal to six percent of the total gross income from such business in the City during the current calendar year for which a license is required.

(c) Natural or Manufactured Gas. Upon every person engaged in or carrying on the business of transmitting, distributing, selling and furnishing natural and/or manufactured gas, a tax equal to six percent of the total gross income from such business derived from the sale of gas within the City during the calendar year for which a license is required.

Section 2. This ordinance, being the exercise of the legislative authority's taxing power, is not subject to referendum. Pursuant to RCW 35.21.865, this ordinance shall take effect and be in full force on June 1, 2006, and shall apply to all gross income of persons engaged in or carrying on the business of furnishing telephone, electric light and power, and natural or manufactured gas derived from business activities conducted on or after such date. The City Clerk is directed to publish an approved summary of this ordinance, consisting of the title, in the City's official newspaper at least five (5) days prior to the effective date.

Y OF REDMOND

MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:

CLERK, MALISA FILES

APPROVED AS TO FORM: OFFICE OF THE CITY ATTORNEY

BY:

FILED WITH THE CITY CLERK: PASSED BY THE CITY COUNCIL:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO.:

2281

February 28, 2006 March 7, 2006 March 13, 2006 June 1, 2006